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Mayor Liccardo & Councilmembers Will Pursue Civic Partnership with Google for Community Benefits, Such as Affordable Housing

San Jose, Calif. – Today, Mayor Sam Liccardo, Vice Mayor Magdalena Carrasco, and Councilmembers Sylvia Arenas and Dev Davis announced the next steps of San José's preparations for Google's historic investment in Downtown San José.

Upon the City Council's approval of a [Memorandum of Understanding and property sale agreements on December 4th](#), Liccardo and his colleagues will seek to move forward immediately with work on three important tasks:

1. Negotiations with Google over those community benefits above and beyond the fees, taxes, and public improvements that Google has already committed to pay, in consultation with the public.
2. The formation of a downtown financing district, leveraging commercial impact fees or a privately-funded annual assessment for affordable housing, transit, and other public improvements.
3. Making previously aspirational housing targets in the Diridon Station area mandatory, so that 25% aggregate of the housing to be built in those neighborhoods must be affordable, with long-term rent restrictions in place, using affordable housing funding from multiple sources.

Next week, Mayor Liccardo and his Council colleagues will submit a memorandum requesting that the Council prioritize these objectives in the weeks following its approval of the Google MOU.

"From the beginning of our discussions, Google has been clear that it is not seeking subsidies, fee reductions, or tax breaks, and I have been clear that we wouldn't be offering any," explained Liccardo. "As described in the MOU, Google will provide additional 'community benefits' in excess of what they are legally required to pay." Liccardo continued, "Through the Diridon Station Area Process, San José and Google have provided a model that stands in stark contrast to the process followed by Amazon and other corporations who have sought large subsidies and presents a better model for the relationship between cities and tech employers. We won't use our taxpayers' dollars as bait. Instead, we're working together with the community and Google to develop a mutually beneficial path that delivers far better value to the residents we serve."

"We cannot deny that our community is rapidly changing, and the investment of Google will have a real and direct impact. We will continue the work on the preservation of the unique character of San José neighborhoods, including East San José, by mitigating displacement and gentrification while guaranteeing career opportunities for our youth and opportunities for upward mobility," said Vice Mayor Magdalena Carrasco.

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“A 25% affordable housing requirement is a major step in the right direction toward making sure no one from our community is left out,” Councilmember Arenas said. “San Jose families need good-paying jobs and housing that is affordable. As a city, we must balance growth while protecting our community – that’s why it’s so important that we keep our community benefits process moving forward, while ensuring there are no taxpayer subsidies.”

"As a councilmember who values data, I'm excited about the job growth and tax revenue estimates that were calculated by city consultants for this proposal," states Councilmember Dev Davis. "This project will contribute millions of dollars of tax revenue annually and tens of thousands of jobs to a city that comes up short on both every year. It will help us enhance services for our residents."

Google is not legally required to pay “community benefits,” but, as described in the MOU, has volunteered to provide additional benefits in addition to tens of thousands of jobs, tax revenue, on-site infrastructure like sewers and parks, traffic mitigation improvements like road upgrades, impact fees, and construction fees. Those direct benefits—in addition to the very substantial indirect benefits of Google’s presence in bringing vitality to San José’s Downtown—are already assumed to constitute part of any project that the Council might approve.

It should also be noted that both the City and Google have agreed that a community benefits negotiation will precede any decision that the Council makes regarding land use designations, zoning, or changes in development height limits. Given the existing industrial designation on the sites, no development of any other uses—office, residential, restaurants, or any other use beyond a purely industrial use like warehousing—can occur on the future campus without Council approval. This leverage will be crucial to enable the Council to best negotiate for the community’s interests in the months ahead.

“We need to change the narrative about the relationship between cities and tech.” Liccardo continued, “Tech companies should be viewed neither as our saviors nor our supplicants. Rather, we have an opportunity to show another way – for a civic partnership that builds a more prosperous, equitable, and sustainable San José.”

Mayor Liccardo is joined by a diverse group of community partners in support of these goals:

Northern California Carpenters Regional Council:

“We support Mayor Liccardo’s well thought out approach to negotiations with Google to achieve affordable housing, community benefits and good union construction jobs in San José.” - *Bob Alvarado, Executive Secretary*

Catholic Charities of Santa Clara County

"Google has been an outstanding public partner and has been a leader in social responsibility, working to improve the areas in which they do business. Their investment in agencies like Catholic Charities, to strengthen schools, provide social services to the underprivileged and increase career opportunities to the residents of Santa Clara County has been inspiring. We welcome Google as a strong partner to shrink the wealth disparity gap and build a better Silicon Valley." - *Greg Kepferle, CEO*

Downtown Streets Team:

“Public and private funding is instrumental to Downtown Streets Team's success. We look to Google as a leader in funding solutions to our most intractable social issues and appreciate their involvement in ensuring ongoing success in San José, as well as across the Bay.” - *Eileen Richardson, CEO*

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Laborers' International Local 270:

“Local 270 Laborers supports the City of San José moving forward with the private-public partnership with Google with the commitment that both the City of San José and Google has an open dialogue with the community. With the understanding that this partnership will support the needs of our disadvantaged community. This is a great opportunity to create hundreds of well-paying local jobs. By engaging the participation of women in all trades by increasing the enrollment in their pre-apprentice program.” - *Enrique Arguello, Business Manager*

People Assisting the Homeless:

“PATH envisions a world where everybody has a home. Google’s direct support of our street outreach teams helps PATH fulfill our mission of helping our homeless neighbors get off the streets and into permanent homes. It is this type of partnership between the corporate and the nonprofit sector that will help solve homelessness and build a San José that cares for those who are in most need.” - *Joel John Roberts, CEO*

SV@Home:

“SV@Home is really excited about the opportunity a vibrant, mixed-use Diridon Station neighborhood presents to the community. We know that housing is a critical component of the Station Area Plan, and that a significant number of new homes must be a key feature. By requiring a 25% affordability goal in the Station Area, we can ensure that these homes are accessible to San José residents of all incomes and abilities.

We look forward to building on the partnership we forged with Google to secure nearly 10,000 new homes in North Bayshore and are eager to work together with them, the City of San José, and the community to go above and beyond to build a housing-rich, mixed-income neighborhood.”- *David Meyer, Director of Strategic Initiatives*

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